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Instead of the individual paying, as under LB 382, on all of it -- he pays on that money that he receives as a patronage dividend refund, that cash that he receives. That money which is retained to make that place bigger, or enlarge it, or rebuild it, or whatever, that other \$50 is retained by that business entity on that street, in that town.

If we will recall, we've attempted over the years to have the income tax ... the individual income tax be equal to the corporate tax and the corporate tax being equal to the individual. Now every case, every individual case, there is a difference. You may have had a bad year and this \$50 would not have you pay any individual tax because you're under the bracket and any other exemptions you may have ... and the losses that you have sustained. But if you were very successful this particular year, you may be in the 50, 60, 70 percent bracket. Possibly that difference of the other half could put you in another higher bracket.

The corporate tax There is very little difference between a corporation under \$25,000 and one over \$25,000 by Nebraska statutes.

After a period of years the corporation, the co-op, makes a decision they're going to pay to me those retained earnings. Let us pursue this case just a little further. Of the \$50 I received and the \$50 that was retained.... If in ten years I qualify under the bylaws to have that money retained...returned to me, under LB 382 there is no tax owing, due or to be paid for me to receive my \$500. There is no tax due for me to receive my \$500 under this amendment. So there is absolutely no double taxation. It is a fair approach to the problem that each entity under Nebraska statutes would pay for those monies that have been earned by that institution, whether it be on the individual or corporate bases.

I know the question is going to be asked, why are you so sold on your approach rather than 382, and I can tell you. I'm attempting to correct a wrong. I'm attempting to do something we should have done in '67 and did not. I attempted to do it in '74. I'm attempting, as a long time member and Chairman of the Revenue Committee, hopefully that I have been able to get together a little experience, expertise if you will, on taxation. I honestly believe this is the most equitable way of taxation of co-ops. It is the most direct way and it is the best way.

One other advantage of this amendment is that competition is good and fine. In the last several days I made mention of the fact, even though I was alone in the grain business in either one of the towns that I've operated in, I never was alone and always welcome competition in the feed business, in the fertilizer business, and the chemical business, or the business that I may have been associated in. I say I am not anti-co-op. I'm trying to be helpful. I'm trying to be especially helpful to the patrons of a cooperative association.